

Annual Report

ORENADA MINES LIMITED

(NO PERSONAL LIABILITY)



FOR THE YEAR ENDED DECEMBER 31, 1963

ORENADA MINES LIMITED

(No Personal Liability)



AUTHORIZED CAPITALIZATION

\$5,000,000.00 divided into 5,000,000 shares of the par value of
\$1.00 each.

DIRECTORS

DAVID W. GORDON	- - - - -	Toronto, Ontario
M. W. MacDOWELL	- - - - -	Brockville, Ontario
GORDON L. MOORE	- - - - -	Islington, Ontario
C. S. KENNEDY	- - - - -	Toronto, Ontario
CHARLES B. BRANNIGAN	- - - - -	Toronto, Ontario

OFFICERS

DAVID W. GORDON	- - - - -	President
M. W. MacDOWELL	- - - - -	Vice-President
GORDON L. MOORE	- - - - -	Secretary-Treasurer
CHARLES B. BRANNIGAN	- - - - -	Assistant Secretary

HEAD OFFICE

620 Cathcart Street	- - - - -	Montreal, Quebec
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EXECUTIVE OFFICE

908 - 330 Bay Street	- - - - -	Toronto, Ontario
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TRANSFER AGENTS AND REGISTRAR

CROWN TRUST COMPANY		
302 Bay Street	- - - - -	Toronto, Ontario

ORENADA MINES LIMITED

(No Personal Liability)

Directors' Report

To the Shareholders:

The financial statements of the Company and notes relative thereto covering the fiscal period ended December 31st, 1963, and the Report of the Auditors are submitted for your consideration.

The mining property of the Company, consisting of 51 claims, comprising an area of approximately 1,984 acres situate in the Township of Bourlamaque, Quebec, is maintained in good standing.

A programme of line cutting, magnetometer surveying, twelve diamond drill holes for a total of 6,910 feet of diamond drilling, and geological mapping was carried out on the property of the Company during the first six months of 1963. Some of the diamond drill holes were designed to test the magnetic anomalies outlined in the survey and others to follow up previously indicated zones of gold mineralization. Gold mineralization occurs over a length of 6,000 feet on the property as indicated by diamond drilling. The gold values, however, are erratic and further diamond drilling is required to properly evaluate the economic possibilities of the Cadillac Fault on the property.

The Company, under date of January 14th, 1964, has granted to Sullico Mines Limited an option to purchase seven of its mining claims in the Township of Bourlamaque, Quebec. The option extends until January 14th, 1966, provided Sullico shall have carried out 2,000 feet of diamond drilling on the said claims or its equivalent at cost in exploration or development work within four months from January 14th, 1964, and thereafter during each of the ensuing twelve months if it wishes to keep the option in force, has done 1,000 feet of diamond drilling or its equivalent at cost in exploration and development work on the claims. Provided the option is exercised by January 14th, 1966, Sullico must within three months incorporate a company under the Quebec Mining Companies Act with an authorized capital of \$3,000,000.00 and shall transfer the said claims to the new company and the vendor shares in the new Company will be allotted and issued to Orenada and Sullico in the amount of 450,000 and 300,000 shares respectively, to be escrowed as required by governing authorities.

Exploration and development work is now in progress on the seven claims of the Company held under option by Sullico Mines Limited.

Respectfully submitted on behalf of the Board of Directors,

D. W. GORDON,
President.

Dated at Toronto, Ontario,
this 19th day of May, 1964.

ORENADA MINES LIMITED

(NO PERSONAL LIABILITY)

(Incorporated under the Quebec Companies Act)

Balance Sheet as at December 31, 1963

ASSETS

Current

Cash in bank	\$	10.43	
Accounts receivable	\$	778.60	
Less: Allowance for doubtful accounts		778.60	
		<u> </u>	
			\$ 10.43

Investments in and advances to other mining companies (note 1)

Advances	55,963.87	
Shares at cost less amounts written off (market value \$5,645.00)	113,357.50	
	<u> </u>	169,321.37

Government of Canada Bond (pledged as security) 1,000.00

Mining Claims (note 2)

51 mining claims located in the Laurentides Mining Division, Township of Bourlamaque, Quebec acquired for 1,000,000 shares of capital stock at a valuation of	50,000.00	
Costs paid in cash	115.50	
	<u> </u>	50,115.50

Deferred Expenditure per attached schedule 323,135.86

\$543,583.16

AUDITORS' REPORT

To the Shareholders,
Orenada Mines Limited,
Toronto, Ontario.

We have examined the balance sheet of Orenada Mines Limited and the mine development and administration expenses for the year ended on the 31st December, 1963, and such tests of accounting records and other supporting evidence as we considered necessary.

In our opinion the accompanying balance sheet and statement of financial position of the company as at 31 December, 1963 and the results of operations for the year ended on the 31st December, 1963, are in accordance with the accepted accounting principles applied on a basis consistent with that of the company.

Toronto, Ontario,
March 11, 1964.

IES LIMITED

(LIABILITY)

(Mining Companies Act)

31 December, 1963

LIABILITIES

Accounts payable \$ 1,105.41

SHAREHOLDERS' EQUITY

Capital Stock

Authorized:

5,000,000 shares of \$1.00 par value

Issued and fully paid:

4,000,000 shares of \$1.00 par value \$ 4,000,000.00

Less: Discount in shares sold 3,298,363.50

701,636.50

Capital deficit per attached schedule 159,158.75

542,477.75

Approved on behalf of the Board:

D. W. GORDON, Director.

G. L. MOORE, Director.

\$543,583.16

THE SHAREHOLDERS

(Personal Liability) as at 31 December, 1963 and the statement of deferred
e. Our examination included a general review of accounting procedures
dered necessary in the circumstances.

ferred mine development and administration expenses present fairly the
s operations for the year ended on that date, in accordance with generally
eceding year.

COSSAR, HECTOR, PAYNE & CO.,
Chartered Accountants.

ORENADA MINES LIMITED

(No Personal Liability)

(Incorporated under the Quebec Mining Companies Act)

Notes to Financial Statements

31 December, 1963

NOTE 1 — Investments in and advances to other mining companies consist of:

	Advances	Shares	
		Book Value	Market Value
Captain Mines Limited —			
advances	\$18,585.39	—	—
16,000 shares — at cost	—	\$ 1,600.00	\$1,120.00
Wesley Mines Limited —			
advances	17,378.48	—	—
55,000 shares — at cost	—	5,500.00	550.00
Key Anacon Mines Limited —			
loan	20,000.00	—	—
Northern Canada Mines Limited —			
2,500 shares — at cost	—	6,257.50	3,975.00
Nigadoo Mines Limited —			
100,000 shares — at cost	—	100,000.00	—
	<u>\$55,963.87</u>	<u>\$113,357.50</u>	<u>\$5,645.00</u>

NOTE 2 — Orenada Mines Limited has, subsequent to the 31 December, 1963, entered into an option agreement dated 14 January, 1964 granting the optionee the right to purchase 7 of its Quebec Mining Claims. The option extends to 14 January, 1966 provided the optionee —

- (a) Causes to be done within 4 months from date of the agreement 2,000 feet of diamond drilling or its equivalent in cost in exploration or development work.
- (b) Causes to be done within 20 months 1,000 feet of diamond drilling or its equivalent.

If exercised the optionee shall —

- (a) Incorporates a new company with an authorized capital of \$3,000,000.
- (b) Transfers all rights, title and interest in the claims to said company.
- (c) In said company the optionee shall receive 300,000 shares and Orenada Mines Limited 450,000 shares as vendor stock.

STATEMENT OF CAPITAL DEFICIT

For the Year Ended 31 December, 1963

Balance 1 January, 1963	\$125,650.18
Add: Development expenses written off on mining claims acquired during year and abandoned at year end	33,157.57
Staking costs of claims abandoned	350.00
Amount written off investments in other mining companies	1.00
Balance 31 December, 1963	<u>\$159,158.75</u>

ORENADA MINES LIMITED

(No Personal Liability)

(Incorporated under the Quebec Mining Companies Act)

STATEMENT OF DEFERRED MINE DEVELOPMENT AND ADMINISTRATION EXPENSES Year Ended 31 December, 1963

	Expenditures carried forward 1 Jan., 1963	Additions re year	Balance 31 December, 1963
Deferred mine development			
Diamond drilling	\$227,879.99	—	\$227,879.99
Surface exploration	5,529.98	—	5,529.98
Assaying	4,493.59	—	4,493.59
Maps and blueprints	625.94	—	625.94
Mining licenses	14,689.47	\$ 625.97	15,315.44
Taxes, fees, etc.	11,561.85	60.00	11,621.85
General expense	788.77	—	788.77
Surveys	14,185.95	—	14,185.95
Travel expense — mine	2,095.96	—	2,095.96
Camp and cookery expense	6,396.39	—	6,396.39
	<u>288,247.89</u>	<u>685.97</u>	<u>288,933.86</u>
Administrative expenses			
Advertising	406.96	—	406.96
Legal and audit fees	3,320.90	850.00	4,170.90
Interest and bank charges	49.83	4.50	54.33
Head office expense	22,224.65	1,800.00	24,024.65
Postage and office supplies	1,497.52	285.54	1,783.06
General expense	75.20	246.45	321.65
Security registration fees	3,281.20	1,000.00	4,281.20
Telephone and telegraph	926.04	365.49	1,291.53
Transfer agent and registrar fees	4,982.26	416.72	5,398.98
Travel expense	5,006.84	177.89	5,184.73
Capital and place of business taxes	941.33	431.48	1,372.81
Insurance	785.78	—	785.78
Bad debt expense	778.60	—	778.60
Shareholders' reports	1,978.90	297.26	2,276.16
	<u>46,256.01</u>	<u>5,875.33</u>	<u>52,131.34</u>
	334,503.90	6,561.30	341,065.20
Less: Interest income	16,711.77	1,217.57	17,929.34
Total deferred expense	<u>\$317,792.13</u>	<u>\$5,343.73</u>	<u>\$323,135.86</u>

CONFIDENTIAL MEMO

February 1971

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